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ACCORDINGLY.

1. (SBU) SUMMARY: Leading European and Russian addiction and demographics experts met recently in Moscow to discuss alcohol consumption and policy in Russia. Binge drinking causes an estimated three percent drag on GDP and leads to about half a million premature deaths every year. The lack of a national center to study alcohol addiction hinders the collection of solid data that could guide politicians, who battle corruption within law enforcement circles and hard lobbying by domestic alcohol producers. The brief presence of two senior Kremlin policy-makers at the conference suggests that the Russian Government recognizes that widespread alcohol abuse is fueling the overall demographic crisis by contributing to Russia's low life expectancy and high preventable mortality among working-age men. Despite the attention to the issue, however, we do not expect any major policy initiatives in the near term, given upcoming Duma and Presidential elections, and the lingering bitter memories from Gorbachev's attempts to regulate alcohol consumption in the mid-80s. END SUMMARY.

2. (U) Leading addiction and demographics experts from Russia and Europe held a two-day conference in Moscow March 1-2 to discuss Russian drinking habits and ways of crafting an effective alcohol policy. The conference, entitled "Developing an Effective Alcohol Policy for Russia: Worldwide Experience and the Russian Realities," attracted leading Russian and international demographics and addiction experts from Great Britain, and from Norway, Sweden, and Finland (cold, northern countries with a historical legacy of heavy hard alcohol consumption similar to Russia's).

Hard Drinking, Hard Life

3. (U) Nikolay Gerasimenko, Deputy Head of the Duma Health Committee, cited several grim estimates of alcohol consumption in Russia, though he cautioned that data collection was poor in this area. Annual per capita alcohol consumption in Russia is estimated

at 14-15 liters per year (equal to 180 bottles of vodka for every adult Russian male). Hard alcohol constitutes 60-75 percent of all consumed alcohol, one of the highest percentages in the world. (Note: According to the WHO, Russia ranks 19th worldwide in per capita consumption of alcohol, but almost all of the countries ranked higher than Russia are predominantly beer or wine-drinking. Russia is ranked third worldwide in per capita consumption of spirits after Moldova and Reunion. END NOTE) More than two million people are officially registered as alcoholics, and some 80 percent of young people aged 11-24 drink regularly. Alcohol has also become steadily more affordable in the past 15 years. A bottle of vodka now costs around three dollars and is roughly equal to the price of three bottles of beer. The estimated economic loss from heavy alcohol consumption is 500-700 billion rubles per year, or three percent of GDP. The situation is most critical in small towns, where poor economic conditions and high unemployment drive many men to drink.

Alcohol-Related Deaths Drive the Demographic Crisis

¶4. (U) Vladimir Shkolnikov, a well-known Russian demographer now working at the Max Planck Institute for Demographic Research in Rostok, Germany, and Aleksandr Nemtsov, the pioneer of Russian alcohol epidemiology research from the Moscow Institute of Psychiatry, presented data showing the major contribution of alcohol to overall mortality. Nemtsov attributes 22 percent of male mortality and 15 percent of female mortality to alcohol consumption.

According to Nemtsov's estimates, 365,000 men and 128,000 women, almost 500,000 total, died every year from the consequences of alcohol consumption in the years 1990 to 2001. Shkolnikov attributes 82,000 deaths a year to the direct effects of alcohol consumption, including violent deaths, suicides, traffic accidents, and traumas. These deaths are supplemented by deaths from cardiovascular diseases, cirrhosis of the liver, and gastro-intestinal diseases, in all of which alcohol is a

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contributing factor.

Alcohol Consumption Needs Better Study

¶5. (U) Many participants emphasized the need to collect solid data to characterize Russia's alcohol problem. The renowned Russian demographer, Anatoliy Vishnevskiy, Director of the newly established Institute of Demography at the Higher School of Economics, lamented that there is no national research center on alcoholism and alcohol abuse. Such a center could collect basic data and more sharply define the level of drinking and the resulting health-related consequences and economic losses, to better guide policy-makers.

Battling Illegal Sales and Alcohol Surrogates

¶6. (U) Duma Deputy Yevgeniy Roizman, well-known for his anti-drug campaign in Yekaterinburg, spoke about his experiences fighting illegal alcohol sales. He claimed that Yekaterinburg was losing 2,000 people annually due to acute alcohol poisonings. He noted that several local investigations revealed that the local police were either involved in unregulated sales, or offered protection to sellers of illegal product. Roizman also complained of the resistance he has faced in introducing legislation to criminalize sales of spirits to minors, noting that many legislators have commercial interests in vodka ventures or alcohol production plants.

¶7. (U) Roizman also noted that inexpensive medicines containing alcohol constitute a significant portion of the alcohol consumed by Russia's poor. A well-known, non-prescription Russian concoction for heart problems ("nastoika boyaryshnika") is produced in quantities that far exceed any reasonable medical demand. This product is also sold in 50-100 milliliter bottles, apparently to market it to drinkers. Likewise, Russia has 15 plants producing alcohol for technical and industrial uses, though most experts believe one plant would be sufficient to satisfy domestic demand.

These alcohol surrogates, as well as other solvents and cleaning solutions, led to a spate of widely publicized alcohol poisonings in 2006 (Refs B, C).

Finding a Way to Shift Consumers to Beer

¶8. (U) Many speakers noted Russia could reduce hard alcohol consumption either through heavy taxation of spirits or severely restricting points of sale. Poland (historically, a vodka-drinking country) in 1996 increased prices for spirits by introducing a heavy tax, which led to a massive shift to beer drinking. By 2001, male life expectancy increased by four years, and consumption of hard alcohol dropped from 65 percent to 20 percent of overall alcohol consumption. Finland and Sweden introduced beer sales in supermarkets, but severely restricted the retail outlets for hard alcohol, which also led to a reduction in spirits consumption. Some experts also argued that reintroducing the Soviet-era state monopoly on alcohol production would reduce consumption, though others disagreed and felt a state monopoly would not influence drinking habits.

Alcohol Deaths Still Serious But Declining

¶9. (U) There were 138,000 fewer deaths in Russia in 2006 compared to 2005, and deaths from alcohol poisoning dropped by 20 percent. Some demographers argued that the decline resulted from legislation that led to supply disruptions, including a law increasing the pre-paid capital of alcohol producers and retail sellers, and the rocky introduction of a unified automated accounting system for alcohol production (Ref C). Other experts were more reluctant to link the decline in mortality from alcohol poisonings to alcohol shortages, and noted that the number of these deaths had been gradually declining over the last two years.

¶10. (SBU) COMMENT: Many remarked at the notable absence of Ministry of Health and Social Development officials. The conference also paid little attention to alcohol awareness and measures to address alcohol demand, an issue which is almost never mentioned by Russian

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policy-makers. Western alcohol companies are adapting their international awareness campaigns to Russia by emphasizing the need to educate consumers about responsible drinking, such as how many Russians do not seem to recognize that beer is an alcoholic beverage like wine and spirits (Ref C). A medical officer from the Ministry of Internal Affairs who did attend the conference, told us drinking on the job is increasingly a problem within the police, and asked about the experiences of U.S. police forces in managing alcohol prevention and treatment programs. Conference participants intend to present their conclusions and recommendations to the Presidential Administration and to First Deputy Prime Minister Medvedev, but as one well-known demographer told us, his own detailed reports on the role of alcohol on Russia's demographic situation had been sitting in the Presidential Administration for a year and a half with no reaction.

¶11. (SBU) COMMENT CONT'D: Two officials from the Presidential Administration briefly appeared: Nelli Naigovzina, Deputy Head of the Expert Department, and Elvira Nabiullina, Head of Experts Council for the National Priority Projects. Their presence suggests that the Russian Government recognizes that widespread alcohol abuse is fueling the overall demographic crisis. Despite the attention to the issue, we do not expect the government to introduce any major anti-alcohol measures, given upcoming Duma and Presidential elections, and the still bitter memories of Gorbachev's anti-alcohol campaign in the mid-80s. Gorbachev introduced a series of stringent anti-alcohol measures in May 1985 that lasted until December 1987. Although Russian mortality dramatically improved during this period, the measures made Gorbachev extremely unpopular, and led to shortages of sugar as a result of widespread moonshine production.

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